

# **CAPITALIZATION RATE STUDY FOR CENTRALLY ASSESSED PROPERTIES**

FOR: JANUARY 1, 2011



## **UTAH STATE TAX COMMISSION**

PROPERTY TAX DIVISION  
NATURAL RESOURCES SECTION  
210 NORTH 1950 WEST, THIRD FLOOR  
SALT LAKE CITY, UTAH 84134

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**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
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# UTAH STATE TAX COMMISSION

## PROPERTY TAX DIVISION

### KEY RATES AND FIGURES

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**PUBLIC UTILITY BONDS**

Aaa	N/A
Aa	5.32%
A	5.56%
Baa	6.04%

**PREFERRED STOCKS**

Aaa	N/A
Aa	N/A
A	5.83%
Baa	6.68%

**INVESTMENT-GRADE CORPORATE BONDS**

Aaa	5.02%
Aa	5.26%
A	5.52%
Baa	6.10%

**INFLATION FACTORS**

Year	4th Quarter GDP Implicit Price Deflator	Annual Percent Change	Conversion Factor
2000	89.371	N/A	1.243
2001	91.151	1.99%	1.219
2002	92.828	1.84%	1.197
2003	94.799	2.12%	1.172
2004	97.862	3.23%	1.135
2005	101.309	3.52%	1.097
2006	104.218	2.87%	1.066
2007	106.943	2.61%	1.039
2008	109.216	2.13%	1.017
2009	109.665	0.41%	1.013
2010	111.118	1.32%	1.000

2000 - 2010 Average Change: 2.21%

**Source:**

St. Louis Federal Reserve as of February, 2011

**Website:**<http://research.stlouisfed.org/fred2/series/GDPDEF>**OTHER CORPORATE BONDS**

Ba1	7.15%
Ba2	7.37%
Ba3	8.21%
B1	8.49%
B2	8.84%
B3	10.10%
Caa1	11.32%
Caa2	14.25%
Caa3	18.17%
Ca	21.03%
C	29.65%

**OTHER RATES**

Risk-Free Rate	4.13%
Market Risk Premium	6.70%
Default Income Tax Rate	38.50%
ValueLine GDP Price Deflator Forecast	1.30%

**MISCELLANEOUS INFORMATION**



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**COAL -- EQUITY RATE MODELS**

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## DIVIDEND GROWTH MODEL

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate	
	Alpha Natural Res.	38.25	B+	1.00	1.85	60.16	21.50	0	N/A	
	Arch Coal	38.25	B++	0.89	1.65	35.26	10.00	5.50	0.40	
	CONSOL Energy	38.25	B++	0.89	1.75	48.81	16.00	14.50	0.44	
	Peabody Energy	38.25	B++	0.89	1.60	64.21	8.50	6.50	0.34	
Mean	38.25	0.92		1.71	14.00		8.83			
Indicated Rate										11.02%

## CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.71
Industry Risk Premium	11.46%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>15.59%</b>

## DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.92
Industry Risk Premium	6.16%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>10.29%</b>

## RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	15.59%
Division's Risk Premium Model	10.29%
Dividend Growth Model	11.02%
<b>Reconciled Equity Rate</b>	<b>13.69%</b>

## WEIGHTED AVERAGE COST OF CAPITAL

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	13.69%	80.0%	10.95%
Industry Debt Rate	8.21%	20.0%	1.64%
<b>Weighted Average Cost of Capital</b>			<b>12.59%</b>
Reconciled Equity Rate	13.69%		
Tax-Adjusted (38.25%)	22.17%	80.0%	17.74%
Industry Debt Rate	8.21%	20.0%	1.64%
<b>Tax-Adjusted WACC</b>			<b>19.38%</b>



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**COAL -- CAPITAL STRUCTURE**

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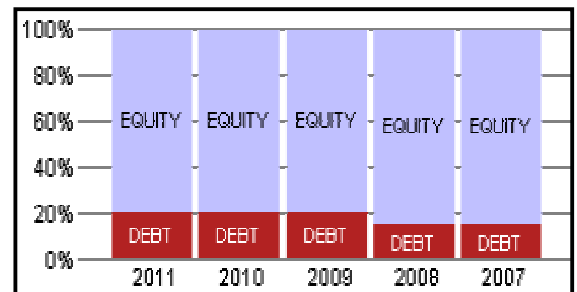
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Alpha Natural Res.	734.2	80.0	926.4	0.0	0.0	60.2	120.8	7,267.3
Arch Coal	1,538.5	120.0	1,477.0	0.0	0.0	35.3	162.5	5,729.8
CONSOL Energy	3,198.1	205.0	2,637.2	0.0	0.0	48.8	181.1	8,839.5
Peabody Energy	2,714.6	200.0	2,491.8	0.0	0.0	64.2	268.8	17,259.7
<b>Total</b>	<b>7,532.4</b>			<b>0.0</b>		<b>39,096.3</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
Alpha Natural Res.		11.31%	88.69%
Arch Coal	B1	20.49%	79.51%
CONSOL Energy	B1	22.98%	77.02%
Peabody Energy	Ba1	12.62%	87.38%
<b>Mean</b>		<b>16.85%</b>	<b>83.15%</b>
<b>Weighted Mean</b>		<b>16.15%</b>	<b>83.85%</b>



**REMARKS**

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\* Market Value of Debt: 8.21% (Ba3)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**PRECIOUS METALS -- EQUITY RATE MODELS**

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**DIVIDEND GROWTH MODEL**

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
Kinross Gold	38.25	N/A		1.05	18.81	10.00		0.00	N/A
Agnico-Eagle Mines	38.25	B+	1.00	1.15	76.47	NMF	NMF	0.30	N/A
Allied Nevada Gold Corp	38.25	B+	1.00	1.55	26.33			0.00	N/A
AngloGold Ashanti ADR	38.25	B	1.11	1.20	48.77	17.50	17.00	0.24	17.74%
Barrick Gold	38.25	A	0.78	0.95	52.60	3.50	4.50	0.48	4.91%
Capital Gold Corp	38.25	B+	1.00	0.95	5.01			0.00	N/A
Coeur d'Alene Mines	38.25	B+	1.00	1.65	27.19			0.00	N/A
Goldcorp Inc.	38.25	B++	0.89	1.10	45.28	18.00	16.50	0.36	18.05%
Hecla Mining	38.25	B+	1.00	1.80	11.13	25.50		0.00	N/A
Newmont Mining	38.25	B++	0.89	0.85	61.08	7.50	7.00	0.60	8.23%
Pan Amer. Silver	38.25	B++	0.89	1.40	40.99	13.00		0.10	13.24%
<b>Mean</b>	<b>38.25</b>	<b>0.96</b>		<b>1.24</b>		<b>13.57</b>	<b>11.25</b>		
<b>Indicated Rate</b>									<b>12.43%</b>

**CAPITAL ASSET PRICING MODEL**

Market Risk Premium	6.70%
Industry Beta	1.24
Industry Risk Premium	8.31%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>12.44%</b>

**DIVISION'S RISK PREMIUM MODEL**

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.96
Industry Risk Premium	6.43%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>10.56%</b>

**RECONCILIATION OF EQUITY RATE**

Equity Models	Rate
Capital Asset Pricing Model	12.44%
Division's Risk Premium Model	10.56%
Dividend Growth Model	12.43%
<b>Reconciled Equity Rate</b>	<b>12.15%</b>

**WEIGHTED AVERAGE COST OF CAPITAL**

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	12.15%	90.0%	10.94%
Industry Debt Rate	6.10%	10.0%	0.61%
<b>Weighted Average Cost of Capital</b>			<b>11.55%</b>
Reconciled Equity Rate	12.15%		
Tax-Adjusted (38.25%)	19.68%	90.0%	17.71%
Industry Debt Rate	6.10%	10.0%	0.61%
<b>Tax-Adjusted WACC</b>			<b>18.32%</b>



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**PRECIOUS METALS -- CAPITAL STRUCTURE**

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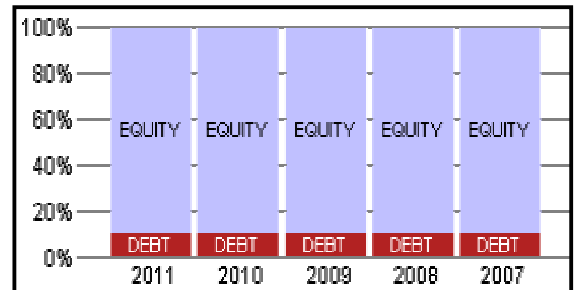
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Kinross Gold	515.2	0.0	515.2	0.0	0.0	18.8	696.0	13,091.8
Agnico-Eagle Mines	735.0	41.0	691.0	0.0	0.0	76.5	156.6	11,975.2
Allied Nevada Gold Corp	4.0	0.0	4.0	0.0	0.0	26.3	73.8	1,943.2
AngloGold Ashanti ADR	1,646.0	87.0	1,492.3	0.0	0.0	48.8	361.6	17,635.2
Barrick Gold	7,021.0	400.0	6,696.8	0.0	0.0	52.6	984.3	51,774.2
Capital Gold Corp	1.7	0.0	1.7	0.0	0.0	5.0	48.8	244.5
Coeur d'Alene Mines	157.0	0.0	157.0	0.0	0.0	27.2	80.3	2,183.4
Goldcorp Inc.	732.6	45.0	736.2	0.0	0.0	45.3	733.6	33,217.4
Hecla Mining	2.9	0.0	2.9	0.3	4.5	11.1	238.3	2,652.3
Newmont Mining	4,280.0	300.0	4,726.2	0.0	0.0	61.1	490.7	29,972.0
Pan Amer. Silver	20.8	1.0	17.7	0.0	0.0	41.0	105.1	4,308.0
<b>Total</b>	<b>15,041.0</b>			<b>4.5</b>		<b>168,997.2</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
Kinross Gold		3.79%	96.21%
Agnico-Eagle Mines		5.46%	94.54%
Allied Nevada Gold Corp		0.21%	99.79%
AngloGold Ashanti ADR	Baa3	7.80%	92.20%
Barrick Gold	A	11.45%	88.55%
Capital Gold Corp		0.69%	99.31%
Coeur d'Alene Mines		6.71%	93.29%
Goldcorp Inc.	Baa1	2.17%	97.83%
Hecla Mining		0.28%	99.72%
Newmont Mining	Baa1	13.62%	86.38%
Pan Amer. Silver		0.41%	99.59%
<b>Mean</b>		<b>4.78%</b>	<b>95.22%</b>
<b>Weighted Mean</b>		<b>8.18%</b>	<b>91.83%</b>



**REMARKS**

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\* Market Value of Debt: 6.10% (Baa)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**OTHER METALS -- EQUITY RATE MODELS**

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## DIVIDEND GROWTH MODEL

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## CAPITAL ASSET PRICING MODEL

Market Risk Premium	6.70%
Industry Beta	1.69
Industry Risk Premium	11.32%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>15.45%</b>

## DIVISION'S RISK PREMIUM MODEL

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.78
Industry Risk Premium	5.23%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>9.36%</b>

## RECONCILIATION OF EQUITY RATE

Equity Models	Rate
Capital Asset Pricing Model	15.45%
Division's Risk Premium Model	9.36%
Dividend Growth Model	10.29%
<b>Reconciled Equity Rate</b>	<b>14.42%</b>

## WEIGHTED AVERAGE COST OF CAPITAL

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	14.42%	90.0%	12.98%
Industry Debt Rate	6.10%	10.0%	0.61%
<b>Weighted Average Cost of Capital</b>			<b>13.59%</b>
Reconciled Equity Rate	14.42%		
Tax-Adjusted (38.25%)	23.35%	90.0%	21.02%
Industry Debt Rate	6.10%	10.0%	0.61%
<b>Tax-Adjusted WACC</b>			<b>21.63%</b>





**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**OTHER METALS -- CAPITAL STRUCTURE**

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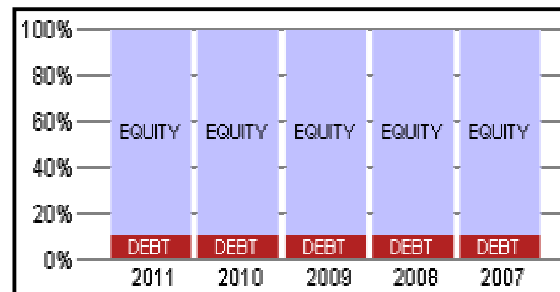
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
BHP Billiton Ltd. ADR	13,573.0	900.0	14,399.0	0.0	0.0	92.9	2,782.2	258,466.4
Freep't-McMoRan C&G	4,684.0	280.0	4,618.4	0.0	0.0	119.0	430.0	51,148.5
Southern Copper	2,755.1	155.0	2,605.4	0.0	0.0	48.8	850.0	41,514.0
Teck Resources Ltd. 'B'	5,617.0	350.0	5,701.4	0.0	0.0	61.0	589.1	35,911.5
<b>Total</b>	<b>27,324.2</b>			<b>0.0</b>		<b>387,040.4</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
BHP Billiton Ltd. ADR		5.28%	94.72%
Freep't-McMoRan C&G	Baa3	8.28%	91.72%
Southern Copper	Baa2	5.91%	94.09%
Teck Resources Ltd. 'B'	Baa2	13.70%	86.30%
<b>Mean</b>		<b>8.29%</b>	<b>91.71%</b>
<b>Weighted Mean</b>		<b>6.59%</b>	<b>93.41%</b>



**REMARKS**

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\* Market Value of Debt: 6.10% (Baa)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**NON-METALLIFEROUS MINING -- EQUITY RATE MODELS**

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**DIVIDEND GROWTH MODEL**

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
AMCOL Int'l	38.25	B+	1.00	1.40	30.88	8.50	5.50	0.72	9.33%
Brush Engineered	38.25	B	1.11	1.70	38.42	19.00		0	N/A
Texas Inds.	38.25	B	1.11	1.55	46.16	16.50		0.30	17.15%
USG Corp.	38.25	C++	1.22	1.65	16.68			0	N/A
Vulcan Materials	38.25	B+	1.00	1.15	44.83	5.00		1.00	7.23%
Potash Corp.	38.25	A+	0.67	1.45	152.52	10.50	6.50	0.40	8.76%
Compass Minerals Int'l	38.25	B	1.11	0.95	89.56	12.50	7.00	1.60	11.54%
Martin Marietta	38.25	B++	0.89	1.25	92.98	10.50	6.50	1.60	10.22%
<b>Mean</b>	<b>38.25</b>		<b>1.01</b>	<b>1.39</b>		<b>11.79</b>	<b>6.38</b>		
<b>Indicated Rate</b>									<b>10.71%</b>

**CAPITAL ASSET PRICING MODEL**

Market Risk Premium	6.70%
Industry Beta	1.39
Industry Risk Premium	9.31%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>13.44%</b>

**DIVISION'S RISK PREMIUM MODEL**

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.01
Industry Risk Premium	6.77%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>10.90%</b>

**RECONCILIATION OF EQUITY RATE**

Equity Models	Rate
Capital Asset Pricing Model	13.44%
Division's Risk Premium Model	10.90%
Dividend Growth Model	10.71%
<b>Reconciled Equity Rate</b>	<b>12.13%</b>

**WEIGHTED AVERAGE COST OF CAPITAL**

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	12.13%	85.0%	10.31%
Industry Debt Rate	8.21%	15.0%	1.23%
<b>Weighted Average Cost of Capital</b>			<b>11.54%</b>
Reconciled Equity Rate	12.13%		
Tax-Adjusted (38.25%)	19.64%	85.0%	16.69%
Industry Debt Rate	8.21%	15.0%	1.23%
<b>Tax-Adjusted WACC</b>			<b>17.92%</b>



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**NON-METALLIFEROUS MINING -- CAPITAL STRUCTURE**

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**2011**

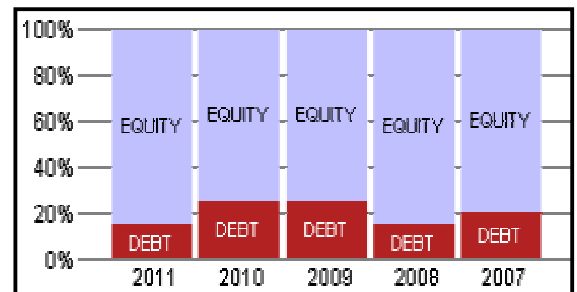
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstdng	Market Value of Equity
AMCOL Int'l	223.3	12.5	166.5	0.0	0.0	30.9	30.8	951.1
Brush Engineered	78.3	1.0	25.4	0.0	0.0	38.4	20.2	776.1
Texas Inds.	652.5	63.0	744.4	0.0	0.0	46.2	27.8	1,283.2
USG Corp.	1,952.0	180.0	2,144.3	0.0	0.0	16.7	99.3	1,656.3
Vulcan Materials	2,435.5	172.5	2,168.0	0.0	0.0	44.8	126.3	5,662.0
Potash Corp.	2,720.6	200.0	2,493.0	0.0	0.0	152.5	296.0	45,145.9
Compass Minerals Int'l	484.7	22.0	311.3	0.0	0.0	89.6	32.6	2,919.7
Martin Marietta	785.7	51.5	659.0	0.0	0.0	93.0	45.3	4,212.0
<b>Total</b>	<b>8,711.9</b>			<b>0.0</b>		<b>62,606.3</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
AMCOL Int'l		14.90%	85.10%
Brush Engineered		3.17%	96.83%
Texas Inds.	B3	36.71%	63.29%
USG Corp.	Caa2	56.42%	43.58%
Vulcan Materials	Baa3	27.69%	72.31%
Potash Corp.	Baa1	5.23%	94.77%
Compass Minerals Int'l	Ba2	9.63%	90.37%
Martin Marietta	Baa1	13.53%	86.47%
<b>Mean</b>		<b>20.91%</b>	<b>79.09%</b>
<b>Weighted Mean</b>		<b>12.22%</b>	<b>87.78%</b>



**REMARKS**

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\* Market Value of Debt: 8.21% (Ba3)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**OIL AND GAS -- EQUITY RATE MODELS**

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**DIVIDEND GROWTH MODEL**

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
Abraxas Petrol	NMF	C++ 1.22	1.55	4.14			0.00	N/A
Berry Petroleum 'A'	37.08	B+ 1.00	1.75	43.59	9.00	5.00	0.30	7.69%
Bill Barrett Corp	43.05	B+ 1.00	1.40	41.01	5.80		0.00	N/A
Brigham Exploration Co	NMF	B+ 1.00	1.95	27.07	47.00		0.00	N/A
Delta Petroleum	NMF	C+ 1.33	1.95	0.78	4.00		0.00	N/A
Double Eagle Petroleum Co.	42.65	C++ 1.22	1.50	4.89			0.00	N/A
Encore Energy Partners LP	NMF	B+ 1.00	1.00	22.31			0.00	N/A
Pioneer Natural Res.	NMF	B+ 1.00	1.45	86.94	24.50	2.50	0.12	13.64%
Ultra Petroleum	34.93	B++ 0.89	1.15	47.77	23.50		0.00	N/A
Warren Resources Inc	NMF	C++ 1.22	2.05	4.41	20.50		0.00	N/A
Whiting Petroleum Corp	NMF	B++ 0.89	1.70	116.19	12.80		0.00	N/A
QEP Resources	NMF	B++ 0.89		36.01			0.00	N/A
Quicksilver Res.	26.98	B 1.11	1.70	14.75	11.50		0.00	N/A
Forest Oil	NMF	B+ 1.00	1.55	38.06	5.00		0.00	N/A
Gasco Energy Inc	NMF	C+ 1.33	1.75	0.35			0.00	N/A
<b>Mean</b>	<b>36.94</b>	<b>1.07</b>	<b>1.60</b>		<b>16.36</b>	<b>3.75</b>		
<b>Indicated Rate</b>								<b>10.67%</b>

**CAPITAL ASSET PRICING MODEL**

Market Risk Premium	6.70%
Industry Beta	1.60
Industry Risk Premium	10.72%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>14.85%</b>

**DIVISION'S RISK PREMIUM MODEL**

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.07
Industry Risk Premium	7.17%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>11.30%</b>

**RECONCILIATION OF EQUITY RATE**

Equity Models	Rate
Capital Asset Pricing Model	14.85%
Division's Risk Premium Model	11.30%
Dividend Growth Model	10.67%
<b>Reconciled Equity Rate</b>	<b>13.79%</b>

**WEIGHTED AVERAGE COST OF CAPITAL**

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	13.79%	75.0%	10.34%
Industry Debt Rate	8.49%	25.0%	2.12%
<b>Weighted Average Cost of Capital</b>			<b>12.46%</b>
Reconciled Equity Rate	13.79%		
Tax-Adjusted (36.94%)	21.87%	75.0%	16.40%
Industry Debt Rate	8.49%	25.0%	2.12%
<b>Tax-Adjusted WACC</b>			<b>18.52%</b>



# UTAH STATE TAX COMMISSION

## PROPERTY TAX DIVISION

### OIL AND GAS -- CAPITAL STRUCTURE

3/22/2011

**2011**

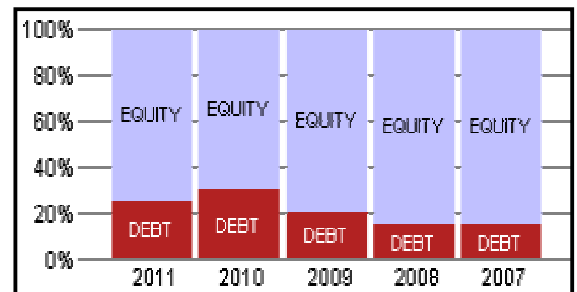
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#### CALCULATION OF MARKET VALUE

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
Abraxas Petrol	144.3	0.0	144.3	0.0	0.0	4.1	75.7	313.4
Berry Petroleum 'A'	878.3	60.0	739.2	0.0	0.0	43.6	52.8	2,301.6
Bill Barrett Corp	400.7	0.0	400.7	0.0	0.0	41.0	44.8	1,837.2
Brigham Exploration Co	159.1	0.0	159.1	0.0	0.0	27.1	99.4	2,690.8
Delta Petroleum	352.5	0.0	352.5	0.0	0.0	0.8	282.5	220.4
Double Eagle Petroleum Co.	34.1	0.0	34.1	3.7	55.4	4.9	11.1	54.3
Encore Energy Partners LP	245.0	0.0	245.0	0.0	0.0	22.3	45.3	1,010.6
Pioneer Natural Res.	2,539.4	180.0	2,199.6	0.0	0.0	86.9	115.6	10,050.3
Ultra Petroleum	1,181.0	60.0	796.6	0.0	0.0	47.8	152.1	7,265.8
Warren Resources Inc	84.0	0.0	84.0	0.0	0.0	4.4	70.0	308.7
Whiting Petroleum Corp	649.6	0.0	649.6	21.6	323.4	116.2	50.8	5,902.5
QEP Resources	1,297.1	90.0	1,105.0	0.0	0.0	36.0	0.0	0.0
Quicksilver Res.	2,396.0	220.0	2,554.3	0.0	0.0	14.8	169.8	2,504.6
Forest Oil	1,868.5	165.0	1,929.3	0.0	0.0	38.1	112.4	4,277.9
Gasco Energy Inc	19.2	0.0	19.2	0.0	0.0	0.4	107.7	37.7
<b>Total</b>	<b>11,412.5</b>			<b>378.8</b>		<b>38,775.8</b>		

#### CAPITAL STRUCTURE AT MARKET VALUE

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
Abraxas Petrol		31.53%	68.47%
Berry Petroleum 'A'	B1	24.31%	75.69%
Bill Barrett Corp	Ba3	17.91%	82.09%
Brigham Exploration Co	Caa2	5.58%	94.42%
Delta Petroleum	Caa3	61.53%	38.47%
Double Eagle Petroleum Co.		62.24%	37.76%
Encore Energy Partners LP	B1	19.51%	80.49%
Pioneer Natural Res.	Ba1	17.96%	82.04%
Ultra Petroleum		9.88%	90.12%
Warren Resources Inc		21.39%	78.61%
Whiting Petroleum Corp	Ba3	14.15%	85.85%
QEP Resources	Ba1	100.00%	0.00%
Quicksilver Res.	B1	50.49%	49.51%
Forest Oil	Ba3	31.08%	68.92%
Gasco Energy Inc		33.74%	66.26%
<b>Mean</b>		<b>33.42%</b>	<b>66.58%</b>
<b>Weighted Mean</b>		<b>23.32%</b>	<b>76.68%</b>



#### REMARKS

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\* Market Value of Debt: 8.49% (B1)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**SAND AND GRAVEL -- EQUITY RATE MODELS**

3/22/2011

**2011**

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**DIVIDEND GROWTH MODEL**

Company Name	Tax Rate	Rel. Financial Strength	Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
CEMEX ADS	38.25	C++ 1.22	1.70	10.73	7.00	-1.00	0.00	N/A
Eagle Materials	38.25	B+ 1.00	1.25	28.25	7.50		0.48	9.20%
Martin Marietta	38.25	B++ 0.89	1.25	92.98	10.50	6.50	1.60	10.22%
Texas Inds.	38.25	B 1.11	1.55	46.16	16.50		0.30	17.15%
Vulcan Materials	38.25	B+ 1.00	1.15	44.83	5.00	-1.50	1.00	3.98%
Granite Construction	38.25	B+ 1.00	1.15	27.60	-2.00	3.50	0.52	2.63%
<b>Mean</b>	<b>38.25</b>	<b>1.04</b>	<b>1.34</b>		<b>7.42</b>	<b>1.88</b>		
<b>Indicated Rate</b>								<b>8.64%</b>

**CAPITAL ASSET PRICING MODEL**

Market Risk Premium	6.70%
Industry Beta	1.34
Industry Risk Premium	8.98%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>13.11%</b>

**DIVISION'S RISK PREMIUM MODEL**

Market Risk Premium	6.70%
Industry Relative Financial Strength	1.04
Industry Risk Premium	6.97%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>11.10%</b>

**RECONCILIATION OF EQUITY RATE**

Equity Models	Rate
Capital Asset Pricing Model	13.11%
Division's Risk Premium Model	11.10%
Dividend Growth Model	8.64%
<b>Reconciled Equity Rate</b>	<b>12.21%</b>

**WEIGHTED AVERAGE COST OF CAPITAL**

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	12.21%	70.0%	8.55%
Industry Debt Rate	8.21%	30.0%	2.46%
<b>Weighted Average Cost of Capital</b>			<b>11.01%</b>
Reconciled Equity Rate	12.21%		
Tax-Adjusted (38.25%)	19.77%	70.0%	13.84%
Industry Debt Rate	8.21%	30.0%	2.46%
<b>Tax-Adjusted WACC</b>			<b>16.30%</b>



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**SAND AND GRAVEL -- CAPITAL STRUCTURE**

3/22/2011

**2011**

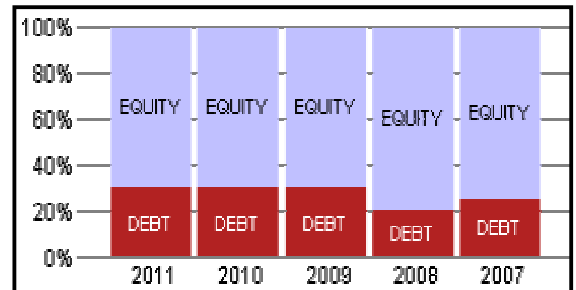
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
CEMEX ADS	15,600.0	1,300.0	15,787.5	0.0	0.0	10.7	998.0	10,708.5
Eagle Materials	285.0	18.4	236.3	0.0	0.0	28.3	43.8	1,237.4
Martin Marietta	785.7	51.5	659.0	0.0	0.0	93.0	45.3	4,212.0
Texas Inds.	652.5	63.0	744.4	0.0	0.0	46.2	27.8	1,283.2
Vulcan Materials	2,432.5	172.5	2,167.4	0.0	0.0	44.8	126.3	5,662.0
Granite Construction	233.3	10.0	144.1	0.0	0.0	27.6	38.6	1,065.4
<b>Total</b>	<b>19,738.7</b>			<b>0.0</b>		<b>24,168.5</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
CEMEX ADS		59.58%	40.42%
Eagle Materials	B2	16.03%	83.97%
Martin Marietta	B1	13.53%	86.47%
Texas Inds.	B3	36.71%	63.29%
Vulcan Materials	B1	27.68%	72.32%
Granite Construction	A3	11.91%	88.09%
<b>Mean</b>		<b>27.58%</b>	<b>72.42%</b>
<b>Weighted Mean</b>		<b>44.96%</b>	<b>55.04%</b>



**REMARKS**

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\* Market Value of Debt: 8.21% (Ba3)

\*\* Market Value of Preferred Equity: 6.68%



**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**URANIUM MINING -- EQUITY RATE MODELS**

3/22/2011

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**DIVIDEND GROWTH MODEL**

Company Name	Tax Rate	Rel. Financial Strength		Beta	Recent Stock Price	Projected Earnings Growth	Projected Dividend Growth	Current Dividend	D.G.M. Rate
BHP Billiton Ltd. ADR	38.25	A	0.78	1.40	78.20	9.00	12.00	1.80	12.80%
Uranium Energy Corp	38.25	B	1.11	1.70	3.44			0	N/A
Uranium Resources Inc	38.25		N/A	2.30	3.38			0	N/A
USEC Inc	38.25	C++	1.22	1.50	5.17			0	N/A
Alcoa Inc.	38.25	B+	1.00	1.45	12.14	14.00		0.12	14.99%
Allegheny Techn.	38.25	B++	0.89	1.55	47.43	4.00	4.50	0.72	5.77%
Brush Engineered	38.25	B	1.11	1.70	28.80	19.00		0	N/A
Cameco Corp.	38.25	B+	1.00	1.10	28.61	5.50	6.00	0.28	6.73%
Freeport-McMoRan C&G	38.25	A	0.78	1.75	91.17	6.50	10.00	1.20	9.57%
Teck Resources Ltd. 'B'	38.25	B++	0.89	1.95	44.06	6.00	7.00	0.40	7.41%
<b>Mean</b>	<b>38.25</b>		<b>0.98</b>	<b>1.64</b>		<b>9.14</b>	<b>7.90</b>		
<b>Indicated Rate</b>									<b>9.55%</b>

**CAPITAL ASSET PRICING MODEL**

Market Risk Premium	6.70%
Industry Beta	1.64
Industry Risk Premium	10.99%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>15.12%</b>

**DIVISION'S RISK PREMIUM MODEL**

Market Risk Premium	6.70%
Industry Relative Financial Strength	0.98
Industry Risk Premium	6.57%
Add: Risk-Free Rate	4.13%
<b>Indicated Rate</b>	<b>10.70%</b>

**RECONCILIATION OF EQUITY RATE**

Equity Models	Rate
Capital Asset Pricing Model	15.12%
Division's Risk Premium Model	10.70%
Dividend Growth Model	9.55%
<b>Reconciled Equity Rate</b>	<b>14.02%</b>

**WEIGHTED AVERAGE COST OF CAPITAL**

Components	Rate	Weight	Weighted Rate
Reconciled Equity Rate	14.02%	85.0%	11.92%
Industry Debt Rate	6.10%	15.0%	0.92%
<b>Weighted Average Cost of Capital</b>			<b>12.84%</b>
Reconciled Equity Rate	14.02%		
Tax-Adjusted (38.25%)	22.70%	85.0%	19.30%
Industry Debt Rate	6.10%	15.0%	0.92%
<b>Tax-Adjusted WACC</b>			<b>20.22%</b>





**UTAH STATE TAX COMMISSION**  
**PROPERTY TAX DIVISION**  
**URANIUM MINING -- CAPITAL STRUCTURE**

3/22/2011

**2011**

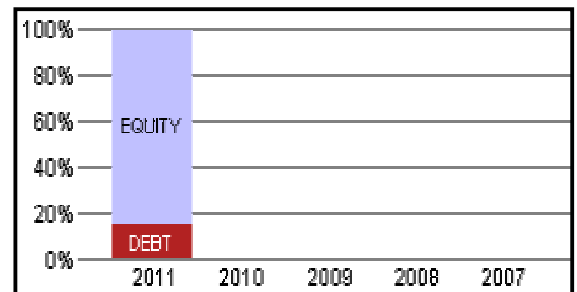
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**CALCULATION OF MARKET VALUE**

Company Name	Long-Term Debt	Long-Term Interest	Market Value of Debt*	Pref'd Divids	MV of Pref'd. Equity**	Recent Stock Price	Common Shares Outstndg	Market Value of Equity
BHP Billiton Ltd. ADR	13,573.0	900.0	14,399.0	0.0	0.0	78.2	2,782.2	217,568.0
Uranium Energy Corp	0.0	0.0	0.0	0.0	0.0	3.4	60.8	209.2
Uranium Resources Inc	0.0	0.0	0.0	0.0	0.0	3.4	56.8	192.0
USEC Inc	575.0	0.0	575.0	0.0	0.0	5.2	113.4	586.3
Alcoa Inc.	8,281.0	350.0	6,502.4	2.0	29.9	12.1	974.4	11,829.2
Allegheny Techn.	1,032.1	567.2	6,813.0	0.0	0.0	47.4	98.1	4,652.9
Brush Engineered	78.3	1.0	35.0	0.0	0.0	28.8	20.2	581.8
Cameco Corp.	946.7	41.0	754.7	0.0	0.0	28.6	388.0	11,100.7
Freep't-McMoRan C&G	4,684.0	280.0	4,618.4	0.0	0.0	91.2	430.0	39,203.1
Teck Resources Ltd. 'B'	5,617.0	350.0	5,701.4	0.0	0.0	44.1	589.1	25,955.8
<b>Total</b>	<b>39,398.9</b>			<b>29.9</b>		<b>311,879.0</b>		

**CAPITAL STRUCTURE AT MARKET VALUE**

Company Name	Debt Rating	Percent Debt & Preferred Equity	Percent Common Equity
BHP Billiton Ltd. ADR		6.21%	93.79%
Uranium Energy Corp		0.00%	100.00%
Uranium Resources Inc		0.00%	100.00%
USEC Inc		49.51%	50.49%
Alcoa Inc.	Baa3	35.58%	64.42%
Allegheny Techn.		59.42%	40.58%
Brush Engineered		5.67%	94.33%
Cameco Corp.		6.37%	93.63%
Freep't-McMoRan C&G	Baa3	10.54%	89.46%
Teck Resources Ltd. 'B'	Baa2	18.01%	81.99%
<b>Mean</b>		<b>19.13%</b>	<b>80.87%</b>
<b>Weighted Mean</b>		<b>11.22%</b>	<b>88.78%</b>



**REMARKS**

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\* Market Value of Debt: 6.10% (Baa)

\*\* Market Value of Preferred Equity: 6.68%